GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2268
ANSWERED ON:03.12.2007
EXPORT OF TEXTILE /GARMENTS
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Will the Minister of TEXTILES be pleased to state:

(a) the quantity and value of textiles/garments exported during each of the last three years and thereafter, Country-wise;

(b) the target fixed and success achieved for exports during the said period; and

(c) the steps taken by the Government to achieve the said target?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): The quantity and value of garments exported from India during the last three years is given below and country wise total value of garments exports is at Annexure.

Garments exports from India	2004-05	2005-06	2006-07
In million pieces (quantity wise)	1663.72	2356.48	2195.39
In US$ million (value wise)	6573.97	8626.63	8901.82

Source: Apparel Export Promotion Council

(b): The targets fixed and success achieved for the garments exports during the said period is as follows:

(Value in US $ Million)

Year	Targets	Achieved
2004-05	6000	6025
2005-06	6450	8626
2006-07	9500	8901

(c): In order to boost India`s textiles exports and achieve the set targets, the Government has been taking a series of measures which, inter-alia, include:-

(i) To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the Technology Mission on Cotton (TMC). The Mission has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.

(ii) The Technology Upgradation Fund Scheme (TUFS) was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The Scheme has been further fine tuned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

(iii) For speedy modernisation of the textile processing sector, Government has introduced w.e.f. 20.04.05, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) To provide the textile industry with world-class infrastructure facilities for setting up their textile units meeting international environmental and social standards, a Public- Private Partnership (PPP) based Scheme known as the `Scheme for Integrated Textile Park (SITP)` has been introduced in August 2005.

(v) Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(vi) In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for

strengthening existing and opening new Apparel Training and Design Centres (ATDCs).

(vii) Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(viii) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

(ix) National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

(x) In the Budget (2007-08), with a view to making textile industry more competitive, import duty on raw materials such as DMT, PTA and MEG has been reduced from 10% to 7.5% and import duty on PSF, PFY and Polyester chips from 10% to 7.5%. The peak rate of advalorem component of customs duty for all non-agricultural products including textiles has been reduced from 12.5% to 10% , Education cess hiked to 3% from 2%. The optional exemption for entire textile sector other than the man made fibre & filament yarn is continuing in the current budget also. Excise duty exemption for 16 specified silk textile machinery under List 3 continues. The concessional duty of 5% on 387 machinery of List 30,31,32, 45 and 46 continues to be at 5% and import duty on other textile machinery continuous to be at 7.5 %. Central Sales Tax reduced from 4% to 3%. In addition, all companies and firms with a taxable income of Rs. One crore or less has been exempted from surcharge on the income tax payable and this will be relief small and medium enterprise in textile sector

Annexure

Countrywise garments exports

(Value in US $ Million)

SR.NO.	COUNTRY	2004-05 Mn US$	2005-06 Mn US$	2006-07 Mn US$
1	U S A	1996.82	2859.16	2889.31
2	U K	658.85	946.50	945.41
3	FRANCE	475.19	641.02	670.99
4	GERMAN F REP	451.51	679.96	646.45
5	U ARAB EMTS	524.31	448.19	523.88
6	ITALY	291.74	384.13	443.54
7	NETHERLAND	205.56	294.08	349.76
8	SPAIN	209.57	361.22	308.40
9	CANADA	251.82	275.24	272.96
10	DENMARK	107.71	185.10	194.91
11	SAUDI ARAB	169.21	196.74	191.12
12	BELGIUM	93.95	133.17	167.36
13	JAPAN	85.09	118.61	122.67
14	SWEDEN	43.56	73.75	74.28
15	RUSSIA	105.56	21.13	69.96
16	MEXICO	44.22	55.11	62.78
17	SWITZERLAND	79.95	55.06	55.17
18	SINGAPORE	40.60	43.65	53.58
19	SOUTH AFRICA	56.54	59.21	52.39
20	KUWAIT	50.57	43.49	47.78
21	OTHER COUNTRIES	645.04	768.43	751.17

Source : Monthly Statistics of the Foreign Trade of India, DGCIS, Kolkata.